

RESOLUTION NO. 78328

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO 1) NEGOTIATE, ENTER INTO, EXECUTE AND DELIVER A STATE OF CALIFORNIA STANDARD GRANT AGREEMENT WITH ANY COMMITMENTS NECESSARY TO DELIVER THE AGREED-UPON GRANT SCOPE PREVIOUSLY AUTHORIZED BY THE CITY COUNCIL AND AS CONSISTENT WITH THE PROPOSED APPROPRIATION ACTIONS AND FUTURE FUNDING PLAN, AND ANY AND ALL OTHER DOCUMENTS REQUIRED OR DEEMED NECESSARY OR APPROPRIATE TO SECURE THE AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM FUNDS AND 2) NEGOTIATE AND EXECUTE AN AGREEMENT WITH CHARITIES HOUSING TO ALLOCATE RESPONSIBILITIES, LIABILITIES AND THE DISBURSEMENT OF AHSC FUNDS BETWEEN THE CITY AND CHARITIES HOUSING

WHEREAS, the State of California, the Strategic Growth Council, and the Department of Housing and Community Development ("HCD") issued a Notice of Funding Availability, dated January 29, 2016, under the Affordable Housing and Sustainable Communities ("AHSC") Program established under Division 44, Part 1 of the Public Resources Code commencing with Section 75200; and

WHEREAS, the City of San José ("City") and Charities Housing jointly applied for AHSC Program funds and submitted an application for grant funding for Coyote Creek Trail development ("Trail Project") and related park ranger services, streetscape and traffic improvements, and an affordable housing project located at 2500 Senter Road; and

WHEREAS, on June 16, 2016, the City Council adopted Resolution No. 77787 authorizing the City Manager to submit the grant application and enter into any agreements necessary to formalize responsibilities between the joint applicants and for

acceptance of grant funds, not to exceed the requested award amount of \$14,979,486;
and

WHEREAS, on November 21, 2016, the City was notified by HCD of the grant award in the amount of \$14,979,486 and HCD's intent to enter into a grant agreement and related documents; and

WHEREAS, at the time the grant application was submitted, the Trail Project was estimated to cost \$5,312,633; however, the estimate did not account for the more complex site issues encountered over the past decade, a more stringent regulatory environment, the higher cost of existing and new permits, continued construction cost inflation, and recent flooding in the project area, and the cost of the trail project is now estimated between \$8.8 and \$10.7 million; and

WHEREAS, the City is working on a funding plan to close the estimated \$3.5 to \$5.4 milling funding gap, and execution of the grant agreement and related documents is necessary at this time so that the affordable housing project can close financing and proceed, as well as for the Trail Project to begin on schedule in order to be completed by the grant period deadline; and

WHEREAS, the City Council's prior authorization for the City Manager to execute the necessary AHSC agreements only anticipated commitments up to the grant award amount of \$14,979,486, and the City desires to further authorize the City Manager to execute the grant agreement at this time with an updated cost estimate for the Trail Project of \$10,700,000, as well as any other documents necessary to complete the scope of work previously authorized by the City Council in the application package;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Manager or his designee is hereby authorized to:

1. Negotiate, enter into, execute, and deliver a State of California Standard Grant Agreement with any commitments necessary to deliver the agreed-upon grant scope previously authorized by the City Council and as consistent with the proposed appropriation actions and future funding plan, and any and all other documents required or deemed necessary or appropriate to secure the Affordable Housing and Sustainable Communities Program funds.
2. Negotiate and execute an agreement with Charities Housing to allocate responsibilities, liabilities and the disbursement of AHSC funds between the City and Charities Housing.

ADOPTED this 29th day of August, 2017, by the following vote:

AYES: ARENAS, CARRASCO, DAVIS, DIEP, JIMENEZ, JONES,
KHAMIS, NGUYEN, PERALEZ, ROCHA; LICCARDO

NOES: NONE

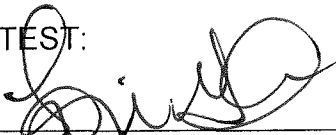
ABSENT: NONE

DISQUALIFIED: NONE



SAM LICCARDO
Mayor

ATTEST:



TONI J. TABER, CMC
City Clerk